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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

FEB 26 2007

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COMMISSIONERS:

2007 FEB 26 P 3: 59

Jeff Hatch-Miller, Chairman

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AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF INVESTIGATION  
INTO U S WEST COMMUNICATIONS,  
INC.'S COMPLIANCE WITH CERTAIN  
WHOLESALE PRICING REQUIREMENTS  
FOR UNBUNDLED NETWORK ELEMENTS  
AND RESALE DISCOUNTS.

Docket No. T-00000A-00-0194

**COX ARIZONA TELCOM'S MOTION  
TO COMMENCE PHASE III OF THE  
QWEST UNE PRICING DOCKET**

Cox Arizona Telcom, LLC (Cox) requests that the Arizona Corporation Commission commence Phase III of this Docket in order to set certain Unbundled Network Element (UNE) rates as contemplated in Decision No. 64922 (June 12, 2002 (Phase II of the UNE Pricing Docket)). In support of this Motion, Cox states:

1. In Decision No. 64922, the Commission received evidence on and fully addressed certain UNE issues and rates. However, there were a number of issues and rates for which there was simply insufficient evidence on which to base a decision. The Commission concluded that "We do not believe that it is appropriate to adopt prices for services for which there is not an adequate record." Decision No. 64922 at 80:23-24. Therefore, the Commission decided that:

"to the extent that issues are not addressed by the Decision, such issues are deferred to Phase III of this proceeding. . . . For new services proposed by Qwest with a new rate that has not been reviewed and approved by the Commission, the interim rate shall be no more than the rate Qwest has proposed. Such 'interim' rates shall be subject to a 'true-up' and refund once permanent rates are

1 established in Phase III.”

2 *Id.* at 81:1-9; *see id.* at 84:20-22 (related ordering paragraph).

3 2. Cox now requests that the Commission set non-recurring charge (NRC) rates for  
4 “on premises wire” subloops, both for dispatch and no-dispatch circumstances. Although the  
5 Commission specifically set a recurring charge of \$0.2955 per pair for “on premises wire”  
6 subloops [Decision No. 64922 at 60:1-2], it did not address the NRC for an “on premises wire”  
7 subloop.

8 3. In Qwest’s June 28, 2002 Price List filing in compliance with Decision No. 64922,  
9 Qwest did not provide an “interim” NRC for either an “on premises wire” subloop or an  
10 intrabuilding cable subloop. In that filing, Qwest did provide NRCs for “2-wire distribution  
11 subloops” (\$20.86 for installation at the FDI and \$20.07 for disconnect at the FDI) and “4-wire  
12 distribution subloops” (\$56.77 for installation at the FDI and \$34.77 for disconnect at the FDI).

13 4. Qwest has set forth an NRC rate for an “intrabuilding cable” subloop in both its  
14 Arizona SGAT and the Subloop Amendment to the Arizona Cox/Qwest Interconnection  
15 Agreement. However, those rates have not been addressed or adopted by this Commission and are  
16 expressly subject to modification upon a Commission order setting those rates. Moreover, Cox  
17 has never agreed that the NRC rates proposed by Qwest are appropriate.

18 5. To Cox’s knowledge, Qwest has never set forth an “on premises wire” subloop  
19 NRC rate for Arizona.

20 6. Prompt resolution of the NRC rates for “on premises wire” subloops is important at  
21 this time in light of issues raised by Qwest in a complaint docket against Cox concerning use of  
22 “on premises wire” subloops at apartment complexes across Arizona. See Docket Nos. T-01051B-  
23 06-0045 et al. In that docket, Qwest is seeking compensation from Cox for use of Qwest’s “on  
24 premises wire” subloops, including payment of non-recurring charges related to those subloops.  
25 However, the parties dispute the appropriate level of those NRC rates. And, given the true-up  
26 provision in Decision No. 64922, the true scope of Qwest’s claim cannot be determined until the  
27 “on premises wire” subloops NRC rates are set in Phase III.

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1           7.       For procedural clarity, the Commission may decide to conduct Phase III of the  
2 Qwest UNE Pricing Docket in a new docket. Phase I was conducted in Docket Nos. E-1051-96-  
3 362 et al. and resulted in Decision No. 60635 (January 30, 1998). Phase II and Phase IIA were  
4 conducted in this docket and resulted in Decision Nos. 64922 and 65451 (December 12, 2002).

5           8.       Finally, the Commission should consider whether to conduct an initial Phase IIIA to  
6 address only the UNE rates identified by Cox in this Motion, and reserving other unresolved UNE  
7 rates for a subsequent phase of Phase III. That process would result in a narrower proceeding that  
8 addresses UNE rates needing more immediate resolution. It also would: (i) allow the Commission  
9 to fully survey the CLEC community for additional UNE rates that might be considered in Phase  
10 IIIB, if any, and (ii) spare the Commission a potentially expansive, yet potentially unnecessary,  
11 proceeding on other UNE rates.

12           WHEREFORE Cox Arizona Telcom, LLC requests that the Commission commence Phase  
13 III of this Qwest UNE Pricing Docket to address and set rates for non-recurring charge rates for  
14 "on premises wire" subloops.

15           RESPECTFULLY SUBMITTED on February 26, 2007.

16           COX ARIZONA TELCOM. L.L.C.

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